GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:237
ANSWERED ON:08.08.2006
WITHDRAWAL OF TARGET PLUS SCHEME
Bhadana Shri Avtar Singh

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has discontinued the Target Plus Scheme meant for promotion of exports;

(b) if so, the reasons therefor;

(c) whether any new schemes has been introduced replacing the Target Plus Scheme for promotion of export; and

(d) if so, the details thereof?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) & (b): The Target Plus Scheme has been abolished for exports from 01.04.2006 onwards. A two-member committee was formed to review various export promotion schemes, particularly with respect to WTO compatibility. The committee recommended the abolition of the scheme on account of incompatibility with WTO principles, lacking linkages with duties and taxes borne by exporters, and strain caused to government exchequer. The government accepted the recommendations and decided to abolish the scheme for exports from 01.04.2006 onwards.

(c) & (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (c) & (d) OF LOK SABHA STARRED QUESTION NO.237 FOR ANSWER ON 8TH AUGUST, 2006 REGARDING "WITHDRAWAL OF TARGET PLUS SCHEME "

(b)& (d): With the objective of providing thrust to employment generation, particularly in semi-urban and rural areas, certain products that generate large employment are covered under the newly introduced 'Focus Product Scheme'. This Scheme allows duty credit facility at 1.25% of the FOB value of exports for notified products, such as value added fish and leather products, stationery items, fireworks, sports goods including toys, and handloom & handicraft items. It is necessary to access new markets, especially where exports are comparatively low. For this another scheme, 'Focus Market Scheme', has also been introduced which allows duty credit facility at 2.5% of the FOB value of exports of eligible products to specified countries. Exports to 57 countries of Africa and Latin America would get the benefit. The scrips and the items imported under both these schemes are freely transferable